

Impacts of Parcelization

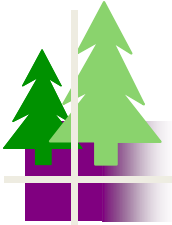
- Preclude efficient use of silviculture
- Diminishing economies of scale for timber harvesting/ probability to harvest
- Diminishing biodiversity/increasing likelihood of non-native species/diminishing water quality
- Decreasing likelihood of allowing public access/heightened land use conflicts



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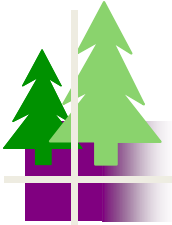
Issue Significance



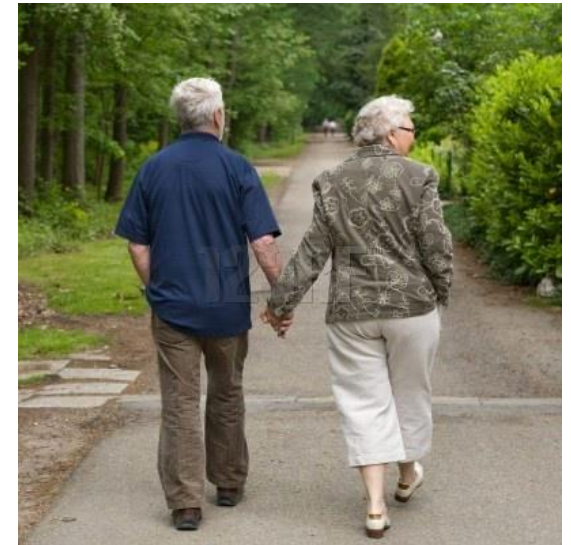
- Average family forest land holding has shrunk
- Increase in the number of family forest owners
- Loss of forestland owned by publicly traded forest products companies
- Changing land use



Other Driving factors



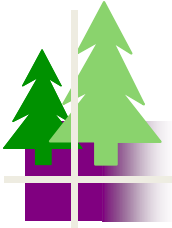
- Unprecedented shift in ownership
- Growth in forest land values
- Changes in population
- Current policies



International Paper to Sell Most of Its Forestland
The New York Times



Assessment of Policy Tools

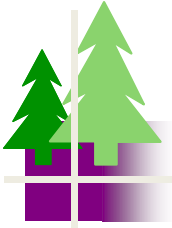


- Conservation easements
- Tax policy
- Planning and zoning
- Land exchange
- Fee title acquisition
- Other approaches



Selected Findings:

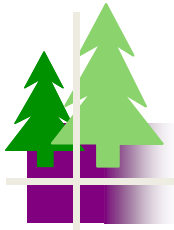
Conservation Easements/Land Exchanges



- Effectiveness of existing easement programs could be enhanced by increased coordination.
- Effective use of conservation easements is linked to the stewardship of the easement.
- Legislation to expedite public land exchange has had little impact on development of private forest lands.



Selected Findings:

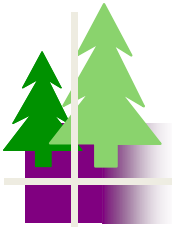


Land Use Planning and Zoning

- Most counties have a comprehensive plan, but many are inadequate or counterproductive in encouraging retention of forest land.
- Small to modest incentives have been quite effective in encouraging planning activities in Minnesota.
- Most zoning encourages parcelization



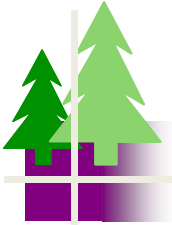
Selected Findings: Property Taxation



- Preferential property tax treatment of forest lands is the preferred vehicle to encourage forest land owners to retain forest lands.
- Most state property tax programs are not very effective at encouraging forest land retention.
- Awareness and the need for a covenant are obstacles for land owners.



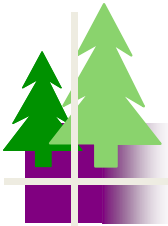
Forest Land Retention: Policy Options



- 1) Use the Department of Natural Resources' Minnesota Forests for the Future program as a coordinated platform for a coordinated approach to forest land conservation.
- 2) Empower and encourage local governments to use local planning to maintain their forest land base.
- 3) Develop and execute conservation easements in a deliberate, coordinated and sustainable manner.



Forest Land Retention: Policy Options

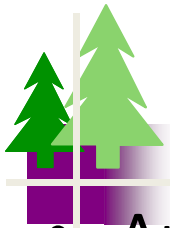


- 4) Use and build on current state tax policy and incentives to encourage family forest owners to maintain the forest land base.
- 5) Rely on fee simple acquisition and land exchanges for exceptional cases, small parcels and for consolidation or access to public land.
- 6) Provide strong support to the counties to foster their management capabilities in order to encourage forest stewardship and retain county administered forest land.



Implementation:

Property tax treatment of conservation easements



- Approx. 700,000 acres under easement in MN
- MN Issues
 - Little consistency in practices
 - Inadequate statutory guidance
 - Difficult to value (few comparable sales, uniqueness of each easement)
- Other states
 - Recognize easement
 - Eligible for preferential tax treatment
 - Straight reduction in value
 - Income tax credit

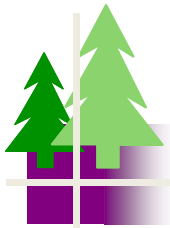


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Implementation:

Property tax treatment of conservation easements: potential policy options



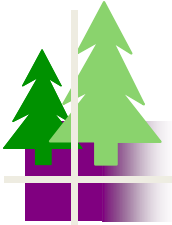
- Administrative options
 - Make process more uniform
 - Encourage better communication between landowners and property owners
 - Provide training to assessors
- Valuation options
 - Value lands as current use
 - Regional or state guidelines addressing valuation
 - Use a checklist to determine reduction
 - Create uniform reduction statewide



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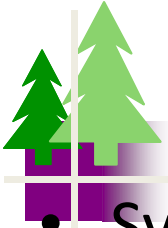
Forest Health: Invasives



- Complex problem in need of a more strategic and integrated response
- Ownership patterns in MN make it difficult
- Many new/relatively new/or on the horizon
- Still have a chance to stay ahead
- Determining impacts and our abilities
- Starts with past efforts



Forest Health: Invasives



- Synthesis of current knowledge, analysis, and response
 - Compilation/update of current and potential forest pests, pathogens, and plants
 - Synthesis of risk assessments, impact analyses, prioritization
 - Synthesis of response
- Analysis of information needs and adequacy of current response
- Development of statewide policy recommendations regarding information needs, needed levels of investment, proper agency roles and responsibilities



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